

Senate Hearing Room 2  
John A. Cherberg Building  
2:30 P.M. July 22, 2008

# AGENDA

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## Pension Funding Council

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**Agenda:**

- I. State Actuary's final report on the pension experience study and actuarial valuation.
- II. Report of the actuarial auditors.
- III. Adopt pension rates.

**COMMITTEE ON  
Pension Funding Council**

**DATE:** July 22, 2008

**TIME:** 2:30pm-3:30pm

**LOCATION:** SHR 2

The meeting was called to order at 2:34 pm by Victor Moore, OFM.

Members present: Representative Alexander, Representative Sommers, Victor Moore, Senator Prentice and Sandy Matheson (via teleconference).

**WORK SESSION:**

2:35

State Actuary's final report on the pension experience study and actuarial valuation.

Matt Smith, State Actuary

Chris Jafferson, Office of the State Actuary

2:38

Questions from members

2:51

Report of the actuarial auditors.

Marilyn Oliver, Manager of Audit, Vice President & Actuary, Bartel Associates, LLC.

John Bartel, Peer Review, President, Bartel Associates, LLC.

2:55

Questions from members

2:57

Adoption of pension rates.

Chair proceeds with motions for adoption of pension rates

Motion B is adopted

**MEETING ADJOURNED:** 2:58 pm

**MINUTES SUBMITTED BY:** Devon Nichols

**AN AUDIO RECORDING OF THE MEETING AND WRITTEN TESTIMONY  
SUBMITTED ARE ON FILE WITH THE COMMITTEE.**

# Motion B

## 2009-11 Basic Pension Contribution Rates -- OSA Recommended Assumptions

(Including Mortality Improvement and 4.25 General Salary Assumptions)

1. The following pension contribution rates (**Attachment A** of OSA memo of July 21, 2008) take effect on the dates indicated:

Percent of Member Pay

	Employer	Plan 2 Member
<i>Effective July 1, 2009</i>		
Public Employees' Retirement System	7.84	4.61
Law Enforcement Officers' and Firefighters' Retirement System Plan 1	0.00	n/a
Washington State Patrol Retirement System	8.57	6.95
Public Safety Employees' Retirement System	10.06	6.94
<i>Effective September 1, 2009</i>		
Teachers' Retirement System	10.79	4.93
School Employees' Retirement System	8.12	4.00

*(These rates do not include the DRS administrative fee.)*

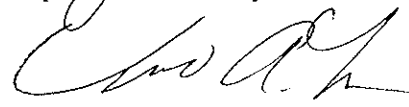
2. Further, the members of the Pension Funding Work Group are directed to work with the Office of the State Actuary on legislation to revise the General Salary Assumption from 4.50% to 4.25%. Until such legislation is enacted, the Office of the State Actuary may offset the assumption for service-related salary increases by negative 0.25%.

Recommendation – Majority

Adopt  
 Do not adopt

  
\_\_\_\_\_  
Representative Gary Alexander

\_\_\_\_\_  
Sandra Matheson

  
\_\_\_\_\_  
Victor Moore

  
\_\_\_\_\_  
Senator Margarita Prentice

  
\_\_\_\_\_  
Representative Helen Sommers

\_\_\_\_\_  
Senator Joseph Zarelli





# Select Committee on Pension Policy

P.O. Box 40914  
Olympia, WA 98504-0914  
actuary.state@leg.wa.gov

July 15, 2008

**TO:** **Pension Funding Council Members**  
*Senator Margarita Prentice, Chair Ways and Means  
Committee*  
*Senator Joseph Zarelli, Ranking Minority Member  
Ways and Means Committee*  
*Representative Helen Sommers, Chair Appropriations  
Committee*  
*Representative Gary Alexander, Ranking Minority  
Member, Appropriations Committee*  
*Ms. Sandra Matheson, Director Department of  
Retirement Systems*  
*Mr. Victor Moore, Director Office of Financial  
Management*

**FROM:**  *Senator Mark Schoesler, Chair Select Committee on  
Pension Policy*  
 *Representative Steve Conway, Vice-Chair Select  
Committee on Pension Policy*

**SUBJECT: SELECT COMMITTEE ON PENSION POLICY  
RECOMMENDATION ON 2009-11 PENSION  
CONTRIBUTION RATES**

The Select Committee on Pension Policy recommends that the Pension Funding Council adopt the State Actuary's recommended contribution rates for the 2009-2011 biennium with projected mortality improvements, using the general salary increase assumption of 4.25 percent. The SCPP will recommend legislation for 2009 that reduces the salary growth assumption in RCW 41.45.035(b) from 4.5 to 4.25 percent.

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**\*Elaine M. Banks**  
*TRS Retirees*

**Representative Barbara Bailey**

**Lois Clement**  
*PERS Retirees*

**\*Representative Steve Conway,**  
**Vice Chair**

**Representative Larry Crouse**

**Charles E. Cuzzetto**  
*TRS and SERS Employers*

**Randy Davis**  
*TRS Actives*

**Representative Bill Fromhold**

**Senator Steve Hobbs**

**Senator Janea Holmquist**

**Robert Keller**  
*PERS Actives*

**\*Sandra J. Matheson, Director**  
*Department of Retirement Systems*

**\*Corky Mattingly**  
*PERS Employers*

**Doug Miller**  
*PERS Employers*

**Victor Moore, Director**  
*Office of Financial Management*

**Senator Ed Murray**

**Glenn Olson**  
*PERS Employers*

**\*Senator Mark Schoesler,**  
**Chair**

**J. Pat Thompson**  
*PERS Actives*

**\*David Westberg**  
*SERS Actives*

**\*Executive Committee**

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